

State of South Dakota

EIGHTY-THIRD SESSION
LEGISLATIVE ASSEMBLY, 2008

400P0200

SENATE BILL NO. 41

Introduced by: The Committee on Commerce at the request of the Public Utilities Commission

1 FOR AN ACT ENTITLED, An Act to revise certain provisions regarding the regulation of
2 public storage warehouses.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 Section 1. That § 49-42A-1 be amended to read as follows:

5 49-42A-1. ~~Terms used in this chapter mean:~~

6 ~~—(1)—"Commission," the Public Utilities Commission of this state;~~

7 ~~—(2)—"Public storage warehouse," a~~ A public storage warehouse is a public warehouse
8 where any personal property except grain, as defined in subdivision 49-45-1.1(2), is
9 received for storage for hire and that generates more than five thousand dollars in
10 gross income from storage for hire per calendar year. A public storage warehouse
11 does not include self-storage units where the depositor's personal property is kept
12 separate from the personal property of other depositors.

13 Section 2. That chapter 49-42A be amended by adding thereto a NEW SECTION to read
14 as follows:

15 Unless other insurance coverage is agreed to in writing by the depositor, a public storage



1 warehouse shall keep all personal property of depositors fully insured against loss by fire,
2 windstorm, and extended coverage risks. Failure to keep insurance in place is a Class 1
3 misdemeanor.

4 Section 3. That § 49-42A-2 be repealed.

5 ~~— 49-42A-2. The application for a license to operate as a public storage warehouse made~~
6 ~~pursuant to § 49-42-5.1 shall be in writing, in a form prescribed by the Public Utilities~~
7 ~~Commission, and shall set forth the location, name and capacity of such warehouse and the~~
8 ~~individual name of each person interested as owner or principal in the management of the~~
9 ~~warehouse. If the warehouse is owned or managed by a corporation, the name of the president,~~
10 ~~secretary and treasurer of such corporation shall be stated. The application shall also state that~~
11 ~~the applicant is seeking a public storage warehouse license.~~

12 ~~— If a warehouseman has more than one public storage warehouse in the same municipality,~~
13 ~~only one license is required for all such public storage warehouses.~~

14 Section 4. That § 49-42A-3 be repealed.

15 ~~— 49-42A-3. The application for a license to operate as a public storage warehouse shall be~~
16 ~~accompanied by a fee of fifteen dollars.~~

17 Section 5. That § 49-42A-4 be repealed.

18 ~~— 49-42A-4. The bond required by § 49-42-5.1 for a public storage warehouseman is for the~~
19 ~~specific purpose of protecting persons storing property with such warehouseman. The amount~~
20 ~~of the bond shall be determined on the following basis:~~

21 ~~— (1) — Five thousand dollars bond for less than twenty thousand net square feet of floor~~
22 ~~space, or for less than fifty thousand net cubic feet of volume, devoted to the storage~~
23 ~~of goods;~~

24 ~~— (2) — Ten thousand dollars bond for twenty thousand or more, but less than fifty thousand~~

1 ~~net square feet of floor space, or for fifty thousand or more, but less than one hundred~~
2 ~~thousand net cubic feet of volume, devoted to the storage of goods;~~

3 ~~— (3) — Fifteen thousand dollars bond for fifty thousand or more, but less than one hundred~~
4 ~~thousand net square feet of floor space, or for one hundred thousand or more, but less~~
5 ~~than two hundred thousand net cubic feet of volume, devoted to the storage of goods,~~
6 ~~plus an additional five thousand dollars for each additional one hundred thousand net~~
7 ~~square feet of floor space or additional one hundred thousand net cubic feet of~~
8 ~~volume or fraction thereof.~~

9 ~~— If the Public Utilities Commission finds, after due notice and hearing, that the bond filed by~~
10 ~~a warehouseman, the amount of which is based upon the above formula, is inadequate because~~
11 ~~of circumstances peculiar to that warehouse, the amount of that bond may be increased to such~~
12 ~~amount as the commission determines.~~

13 ~~— If a warehouseman has more than one warehouse in the same first or second class~~
14 ~~municipality, only one bond is required. If the same warehouseman operates more than one~~
15 ~~warehouse in more than one municipality, a single bond may be filed covering warehouses at~~
16 ~~all locations and shall describe with particularity the exact locations of the warehouses to be~~
17 ~~covered.~~

18 Section 6. That § 49-42A-5 be repealed.

19 ~~— 49-42A-5. Any public storage warehouse license applicant may, in lieu of such bond, file~~
20 ~~with the Public Utilities Commission a certified copy of a legal liability insurance policy of like~~
21 ~~amount and coverages to be approved by the commission, which shall contain a loss payable~~
22 ~~endorsement to and for the benefit of depositors of any goods stored. Such policy may not be~~
23 ~~canceled during the period for which any license is issued except upon at least ninety days prior~~
24 ~~notice in writing to the commission.~~

1 Section 7. That § 49-42A-6 be repealed.

2 ~~49-42A-6. If, in the discretion of the Public Utilities Commission, the legal liability policy~~
3 ~~or the assets of a public storage warehouseman appear to be insufficient when compared to his~~
4 ~~storage obligations or to meet the bond requirements of the United States, or an agency or~~
5 ~~corporation controlled by the United States if they have a contract for storage with the public~~
6 ~~storage warehouseman, or for any other reason it appears necessary to the commission, the~~
7 ~~commission may require such additional bond or legal liability policy as is reasonable in the~~
8 ~~circumstances. Failure to keep such bond or insurance policy in force is a Class 2 misdemeanor.~~

9 Section 8. That § 49-42A-7 be repealed.

10 ~~49-42A-7. Authorized inspectors employed by the Public Utilities Commission may place~~
11 ~~a person under arrest without warrant for a violation of any provision of this chapter which is~~
12 ~~committed in the presence of such inspector. Commission inspectors having been given such~~
13 ~~limited arrest powers are not "law enforcement officers" for the purposes of § 23-3-27.~~